Folio:

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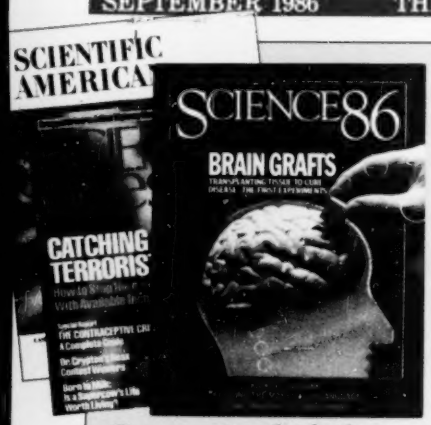

Buyouts shrink science field

Time Inc. swallows two *Discover* competitors while *Scientific American* goes to German firm. **63**

Are the rules changing for net name agreements?

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Film and light are not mundane, technical elements of photography; they are vital aspects of the creative mix that you can manipulate.

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It isn't conventional publishing wisdom that has propelled *National Journal* to the top, but a unique economic approach almost any publisher would envy.

Paper use expected to rise 15

Publishers estimate total paper usage to increase 5.9 percent through 1987, according to annual MPA survey. Coated paper will see highest growth.

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Local area networks are moving toward standardization, but experts predict major changes that could still make a publisher's equipment obsolete.

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You'll want to schedule your time wisely at The Folio:Show next month. To help you, we have compiled a list of suppliers who are exhibiting by product category, and included a map indicating where to find them.

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LETTERS

Et tu . . . ?

I have a gripe and I'd like to take it up with you.

Trade publications for years have been supporting industry associations with tons of free advertising and support in every other way for membership development and trade shows.

Now it seems to be in vogue for associations to sell advertising in competition with the same industry trade magazines they have for years been taking free advertising with, sometimes with very little thanks.

I point out as examples the National Office Dealer Association, National Art Material Trade Association, Printing Industries of the Carolinas.

Have any publishers taken offense to this as I have, and will any come forward with what they have done to combat this competition from associations?

Orazio "O. Mike" Fichera
President/Publisher
Dealer Communicator

Editor's note: Readers are, as always, invited to respond through FOLIO:.

In-house DP management

This letter is in response to Mr. Robert A. Waldman's article in your May issue entitled "Data processing: Making the best decision." [*Page 98*]

Although Mr. Waldman's article addressed many of the publisher's information needs that can benefit from computer automation, and identified the data processing options available to accomplish this, I take issue with his clearly stated bias against developing your own custom software.

I found it rather presumptuous of the author to suggest that publishers as a group do not have the necessary capabilities or skills to manage such a project successfully. Statements such as "It's very unlikely that you have the necessary skills to manage such an undertaking," "You can be assured of cost overruns by orders of magnitude," "If you . . . must write your own software, you may well be running your business wrong," "You will inevitably be very disappointed," are rather dangerous generalizations.

As a publisher who has purchased both prepared packages and designed custom software, I am convinced that custom development is a viable option. We have developed a complete circulation application and also a reader service card system for an IBM System 38, and are very pleased with the results. I have had discussions with several other publishers who have also taken this route and had similar success.

We aren't "running our business wrong" because we have developed our own software; actually we have had considerable success in offering our clients a variety of rather unique services which has differentiated us from our competitors. The software we developed allowed us to manage the information to support these services efficiently and even to expand our offerings. Our custom developed software has become a key ingredient in our future business growth.

There certainly is risk and expense involved in generating your own software. However, neither variable needs to be as onerous or unmanageable as Mr. Waldman suggests. . . .

Gary T. Fitzgerald
President
Meister Publishing Co.

Editor's note: FOLIO: takes no editorial position with regard to the merits of outside versus in-house systems, but does seek to provide a forum for opinion on the subject. Our July issue carried a feature on the in-house fulfillment system developed for Guideposts (see page 80).

Thriving tabloids

In reference to the article on ABC's Fas-Fax report for the second half of 1985 which appeared in your May issue [*page 13*], I would like to clarify a few points of interest.

In the table on page 13, ranking magazines by unit increase in single-copy sales, you erroneously ranked *National Enquirer* third. Since *Enquirer* is also listed ninth in the table, I trust that you realize your misprint. The magazine with the third highest increase in single-copy sales is *National Examiner*, which you correctly report in the body of the article on page 23.

I would also like to alert you to an omission from your report. In the body of the article, as well as in the table on page 25, you cite *Vanity Fair* as having the largest percentage gain in overall circulation (+50.54 percent). A more careful look at ABC Fas-Fax figures will show that *Sun* had the largest gain in overall circulation (+61.42 percent) as well as in single-copy sales (+61.24 percent). Also, *Sun*'s single-copy unit increase of 119,905 copies was the fourth largest unit increase of all consumer magazines. We at Globe Communications are proud of the success of our newest tabloid title and feel these facts should have been noted in your article.

I also feel that the tabloids deserved recognition in the "strong categories" section of your article along with the business, food, computer and fitness magazines. Four of the top five titles posting the largest unit increases in single-copy sales are tabloids. Despite the pessimistic undertone of the title of your article, "A glimmer of hope for single-copy sales?" I am happy to report that the tabloid market is alive and well, growing 6.3 percent in the second half of 1985.

Michael L. Sullivan
National Sales Director
Globe Communications Corp.

Correction to the *Folio: Source Book*

The following is a correction for the *Folio: Source Book/1986*, published in May:

Krueger: The correct contacts for the "Printers, Ink Jet" and "Printers, Publication" category listings for Krueger are Jerry Cotter and Neil Tuber, 602-948-5650.

gan to bud in the early 1980s but is still waiting to blossom. With the exception of *Omni*, the big circulation science magazines have constantly been troubled by the lack of an endemic advertising base, notes more than one observer.

What do production directors and managers earn?

The FOLIO: 1986 Production Salary Survey reveals that the average salary for production directors is $41,389. The second in command on the production staff, the production manager, earns $26,829 annually. Production staffers on consumer magazines make approximately 13% more than their counterparts on business titles. Directors on consumer magazines report an average salary of $43,800, compared to $38,792 for their peers on business magazines. Production managers on consumer magazines get $28,696. Those with the same title on business magazines report an average of $25,339. About one-third of the respondents to FOLIO:'s survey work on magazines ranked in The Folio:400. Complete survey results will be published in FOLIO:'s November issue.

Ad revenue rises 4.8% in first half '86

As the first six months came to a close, June gains helped to make for a more positive scenario. June ad revenue for the 147 members of the Publishers Information Bureau (PIB) was $430,719,458, a 9.2% increase over last June's. The month's ad pages reached 12,699.6, a 2% increase. In total, ad revenue is up 4.8% for the first half of this year compared to the same period last year. Members report ad revenue of $2.504 billion this year, compared to last year's $2.390 billion. Ad pages, however, are down slightly. Total pages for this year's first half are 75,168.96, down 268.86 pages from last year's total. Fashion and service magazines are the leaders in the first half, showing an 11.1% gain in pages and a 12% hike in ad revenue. Other strong categories include home magazines, with an 8.1% rise in ad revenue and a 1.1% page increase. Women's magazines experienced a 6.1% jump in ad revenue and a 2.4% increase in ad pages. On the downside, business magazines dropped 7.7% in pages and 3.3% in revenue. Mechanics and science magazines were down 2% in pages and 9.2% in revenue.

PIB figures for the first six months

	1986	1985	% Change
Dollars	$2,504,774,176	$2,390,635,790	+4.8
Pages	75,168.96	75,437.82	-0.4

Business Week enters China

When John Patten took over the publishing reins of *Business Week* early last year, one of his goals was to expand the McGraw-Hill magazine internationally. Now he's about to span the globe: In December, *International Business and Management* will premiere in the People's Republic of China. The new monthly, a compendium of articles from *Business Week*, *Business Week International* and *International Management* translated into Chinese, is the product of a joint venture between McGraw-Hill and the China Foreign Economic Relations and Trade Publishing House. It is the first such venture for China and a U.S. general business magazine, though specialized business publications have previously cracked the Great Wall. The move is indicative of China's efforts to tap the West's know-how in its bid for economic expansion, as well as *Business Week*'s need to find new revenue. Like its competitors here, the weekly's ad pages are off, having slid 13% in first half '86. Ad revenue for the new 25,000 controlled circulation title will be split 50:50 between McGraw-Hill and its Chinese copublisher. Having conquered China, Patten is eyeing its neighbors. "Plans are on the board for more global activity," he says. "The Pacific Basin is going to be the market of the future."

Rodale hits snag in expansion plans

Rodale Press, which has been steadily growing its crop of health and sports titles, suffered a casualty recently with the folding of *Superfit*. The quarterly was edited for athletes who cross-train in running, swimming, cycling and other aerobic sports. Begun in April of 1985, the magazine ceased publishing after its seventh issue. Newsstand sales for the title, which were about 75,000 paid, were roughly 30% short of Rodale's expectations. "*Superfit* was part of our effort to expand and be aggressive in starting new magazines," says Robert Teufel, Rodale's president. That effort is reflected in the release of several semiannuals, including *Women's Health* and *Good Toys*, a title for parents. All this activity comes at a time when the company's flagship, *Prevention*, is in search of new advertisers. Targeted advertisers are in such categories as financial services, cosmetics, automotive, fitness and food.

UPDATE

Net name agreements: Any change in sight?

The duplication problem continues to grow—but are list owners budging?

New York City—As targeted, unduplicated names for direct mail promotions become tougher and more costly to find, publishers and other mailers are putting more pressure on list owners to negotiate rather than insist upon the traditional 85 percent net name arrangement.

This pressure to be more flexible, or risk losing a list user's business altogether, has resulted in some concessions from some list owners, according to circulators and list marketing executives interviewed by FOLIO:. But most say that there is still much resistance to negotiation—particularly when it comes to net/net arrangements, in which the mailer pays for only those names he or she actually uses.

Some brokers do say they've seen owners willing to accept negotiated net name deals in which the percentage of names paid for drops from 85 percent to 75 percent or 70 percent.

Changing attitudes?

"List owners are more willing to negotiate better net name arrangements than in the past," contends Steve Smith, executive vice president of Steve Millard, Inc., a mailing list broker. But he adds that a large mailer who orders lists on an annual basis is likely to receive more consideration than a mailer who rents only 10,000 names.

Linda Huntoon, vice president at list broker Walter Karl, Inc., concurs. "We are seeing a lot of new negotiations for better net name arrangements," she says. But she adds that the owners who are most likely to consider them are those who are mailers themselves, since they experience the same problems. Those who are not mailers themselves, she notes, feel that it's not their concern.

Duplication between a list and a mailer's database is clearly the driving force behind the pressure for better net name arrangements. This duplication, points out Smith, is making the true cost of lists much more expensive for publishers. A duplication rate of 50 percent in effect doubles the cost of a list, he notes. But this problem is not as bad for publishers as it is for catalog

(CONTINUED ON PAGE 26)

5.9% growth in paper use expected in 1986-87

Coated groundwood will increase its lead as most-used grade, MPA survey finds

New York City—Consumer magazine publishers expect to increase their paper use by 2.1 percent this year and by 3.7 percent in 1987, according to the latest paper survey conducted by the Magazine Publishers Association (MPA).

Of the different grades of paper, it appears that coated groundwood will see the most growth. Publishers surveyed predicted that they would increase their use of the grade by 3.8 percent in 1986 as compared with 1985 and by 4.3 percent in 1987 as compared with 1986. The publishers expect that their use of uncoated groundwood will

Consumer magazine paper use, all grades by basis weight

Basis weights in lbs.	1985 actual	1986 projected	1987 projected
32 and below	3.6%	3.4%	3.7%
34	28.6	30.6	30.7
36	14.9	14.5	14.1
38	4.8	4.3	4.6
40	25.6	25.9	26.1
45	5.2	5.1	5.0
50	5.6	5.5	5.3
60+	11.7	10.7	10.5
Total	100.0%	100.0%	100.0%

Source: 1986 MPA paper survey, based on responses from 98 magazine publishers

Publishers expect they will shift toward lighter basis weight papers over the next two years. In 1985, only 32.2 percent of the paper used had basis weights of 34 pounds or lower; in 1984, 34.5 percent of the paper used by publishers had such light basis weights.

Consumer magazine paper use, all weights by grade

	1985 actual	1986 projected	% change vs. 1985	1987 projected	% change vs. 1986
Coated groundwood	1,122,110 tons	1,164,765 tons	+3.8	1,215,304 tons	+4.3
Coated free	172,180	164,440	−4.5	178,347	+8.5
Uncoated groundwood	217,673	214,825	−1.3	208,625	−2.9
Uncoated free	23,803	23,884	+0.3	25,097	+5.1
Imports	55,035	56,287	+2.3	57,582	+2.3
Total tonnage	1,590,801	1,624,201	+2.1	1,684,955	+3.7

Source: 1986 MPA paper survey, based on responses from 98 magazine publishers

***In 1986**, coated groundwood should increase its lead as the most popular paper among consumer magazine publishers, but use of uncoated groundwood is expected to slip, the MPA survey indicates.*

drop by 1.3 percent in 1986 and by 2.9 percent in 1987.

The paper study was the latest of a series of annual surveys conducted by the MPA. This year's questionnaire, which was sent out in March, was filled out by 98 publishers.

Respondents to last year's study were more optimistic about how much paper they would be using, predicting paper use would rise by 2.3 percent in 1985 and 3.9 percent in 1986.

Other findings

Among other findings of this year's survey:

•At the time the survey was taken, 16.3 percent of those who responded had paper inventories of one to 30 days, 52.2 percent reported stock of 31 to 60 days, 26.1 percent held inventories of 61 to 90 days and 5.4 percent had stock of 91 days or more.

•Coated groundwood accounted for 70.5 percent of the paper used by the publishers in 1985, coated free sheet accounted for 10.8 percent, uncoated groundwood for 13.8 percent, uncoated free for 1.5 percent and imported paper for 3.5 percent. In comparison, last year's survey found that in 1984 72.7 percent of paper used was coated groundwood, 8.5 percent coated free sheet, 13.3 percent uncoated groundwood, 1.2 percent uncoated free and 4.3 percent imported paper.

•About 16 percent of the respondents used at least some imported paper in 1985, but only 13 percent plan to use imported paper in 1986 and only 12 percent in 1987.

•In 1985, 10.4 percent of the publishers switched to narrower rolls and 2.1 percent changed to wider ones. In 1986, 19.8 percent plan to change to narrower rolls and 3.1 percent plan to move to larger widths.

•In 1985, 32.2 percent of the paper used had a basis weight of 34 pounds or less. Respondents expect that in 1986 such paper will comprise 34 percent of what is used and, in 1987, 34.4 percent. In 1984, 34.5 percent of the paper used had a basis weight of 34 pounds or less.

•The offset printing process accounted for about 74 percent of total tonnage in 1985, and gravure for the remaining 26 percent. Little change in these percentages is expected in 1986 or 1987.□

Filmless color proofing on horizon for pre-press

Direct digital proofing would be used with electronic pre-press systems to check color in progress

New York City—The day is approaching when publishers and their pre-press suppliers will benefit from the cost- and time-savings of direct digital color proofing, which doesn't require color separation films. However, despite a spate of recent new product announcements, observers agree that it will take at least several years before there will be direct systems offering the kind of high color quality that the market demands.

"We're beginning to see the door opening," comments John G. Mitchell, technical director of corporate manufacturing and distribution at Time Inc., where direct proofing is one of the

***Hard copy color proofs** are made without separation films on the Instant FIRE 300, a direct digital proofing system manufactured jointly by Polaroid and MacDonald Dettwiler Technologies.*

productivity of the high-cost electronic pre-press equipment would be greatly enhanced.

The time and expense saved by not having to use film to produce proofs for outsiders such as ad agencies and printers would only be a secondary benefit, Dunn claims.

The direct proofing technologies that might work, the consultant believes, are approaches that use either photopolymers, silver-sensitized lines or electrophotography. The basic technology already exists, he says. Research is now required to iron out bugs and to find ways to automate the process. Also needed is a period of testing in the field that will convince the industry that direct proofing is accurate and consistent. "It will take three years plus, and that's if all goes well," Dunn predicts.

Mitchell says Time Inc. is looking for a way to make proofs quickly to check for position as a page is made up, as well as to create high quality proofs for a final color check. It would be better, he says, if one device could be used to make both kinds of proofs, but he doubts whether that will be possible.

If high quality color proofs could be made directly, it would save the magazine 10 to 15 minutes on each proof, as well as the cost of separation film. Like others, Mitchell expects that direct proofing will at first be used for editorial art because editorial is under the complete control of the publisher.□

Cost of sales call jumps 11.8%

Rate outpaces inflation, but is lowest hike in decade

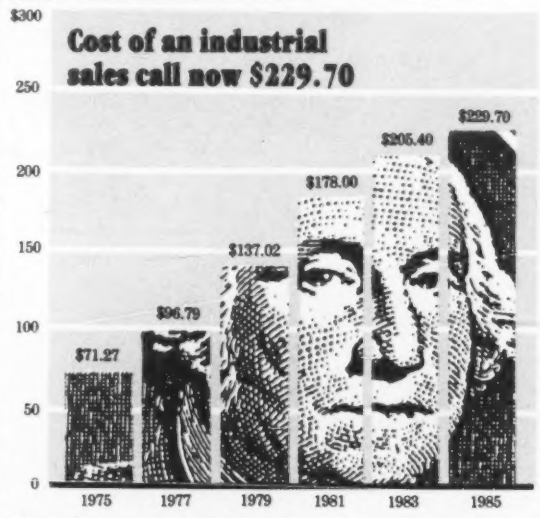
New York City—The average cost of a business-to-business sales call in 1985 was $229.70, an increase of 11.8 percent over the 1983 cost of $205.40, according to the Laboratory of Advertising Performance (LAP) of McGraw-Hill Research.

"This is the lowest percentage increase in a decade," says David Forsyth, vice president of research. "Business-to-business sales call costs have risen 222 percent since 1975 and they are increasing at a faster rate than the Consumer Price Index and the annual inflation rate."

While the costs of personal sales and advertising each continue to climb, the former are growing at a faster rate, according to McGraw-Hill Research. In 1985, advertising costs were double those of 1975, but during the same time, sales call costs more than tripled.

Over one-half (51 percent) of the survey respondents expect sales call costs to increase in 1986, 36 percent expect costs to stabilize and 12 percent anticipate that they will decline.

The survey was conducted on a random sample of vice presidents of sales and sales managers in industrial companies, drawn from the circulation list of *Business Marketing* magazine. Responses were received from 936, or 55 percent, of the sample. Sales costs were defined as including salaries, commissions, bonuses and travel and entertainment expenses. A sales call was defined as "each time a salesperson makes a face-to-face presentation to one or more buyers or prospects."



Source: McGraw-Hill Research 1985 "Cost of an Industrial Sales Call" Survey based on an nth sample of vice presidents of sales and sales managers in industrial companies drawn from the circulation list of *Business Marketing* magazine.

***Industrial sales call costs** have more than tripled since 1975, as compared with advertising costs, which doubled during the same period. The 11.8 percent rise in sales call costs between 1983 and 1985 does, however, represent the lowest percentage increase in a decade.*

Full results of the survey are contained in LAP report number 8013.8. To receive it, contact Leslie Hooper, marketing service department, Laboratory of Advertising Performance, McGraw-Hill Inc., 1221 Avenue of the Americas, New York, N.Y. 10020. Telephone: 212-512-4479.□

'Polybagging' of requalification forms with magazines lifts response

Technique catches on as more printers acquire capability

Cleveland—Inserting a loose requalification form with the magazine in a polybag is a technique that's helping some business publishers to boost response.

Though the Postal Service has long permitted this practice, it appears to be becoming more popular now that other types of enclosures have also been deemed permissable, and now that more printers are acquiring the plastic bagging or wrapping capability.

Gloria Adams, corporate circulation director for Penton/IPC, reports that the company has been sending requalification forms in plastic bags with six of its magazines since last year. The technique has increased response rates to the forms by anywhere from 5 percent to 10 percent to 15 percent, as

Science field undergoes metamorphosis

Time Inc. folding *Science 86* into *Discover*; German company buys *Scientific American*

New York City—The struggling science magazine field recently saw significant acquisition activity, with Time Inc.'s purchase of the subscriber list to *Science 86*, and *Scientific American*'s agreement to be acquired for $52.6 million by a German company, Verlagsgruppe Georg van Holtzbrinck.

Time Inc.'s purchase will give a shot in the arm to its monthly *Discover*, now six years old, which has yet to turn a profit. The publishing company convinced the American Association for the Advancement of Science (AAAS), publisher of *Science 86*, to sell the subscriber list as well as use of the *Science 86* name. Time paid $3.75 million for the list and $2.25 million for the two-year right to the trademark. In addition, the AAAS agreed not to launch a competing title within the next five years.

Several industry sources speculate that Time Inc. has lost nearly $50 million on *Discover* since its launch. But the publishing giant continues to see opportunity in publishing a well-done science magazine, says *Discover*'s publisher, James Hayes.

Since redesigning in the fall of 1985, *Discover* has attracted 50 new national advertisers, he notes. Still, *Discover*'s ad pages were down for the first five months of this year. From January to May, the magazine ran 156.77 pages, down 5 percent from the same period last year. Ad revenue was up by 1 percent, to $2.52 million for the same five month period. *Discover*'s total paid circulation is 920,676, according to the Audit Bureau of Circulations' report for the six months ending December 1985. *Discover*'s total circulation was down 5.8 percent, compared to the same period in 1984.

Time Inc. is not yet sure just how much the acquisition will increase *Discover*'s subscriber base: *Science 86* subscribers have the option of either receiving *Discover* or getting a refund from Time Inc. Circulation for *Science 86* was 739,000 paid. About 100,000 of that was newsstand sales.

To date, Time Inc. has not changed *Discover*'s 850,000 rate base, nor has it increased ad rates.

Science 86's subscribers give *Discover* a higher demographic profile, explains Hayes. The latest study from Simmons Market Research Bureau reported that *Science 86* had more college-educated readers and professional managers in its audience than does *Discover*.

Scientific American sold at last

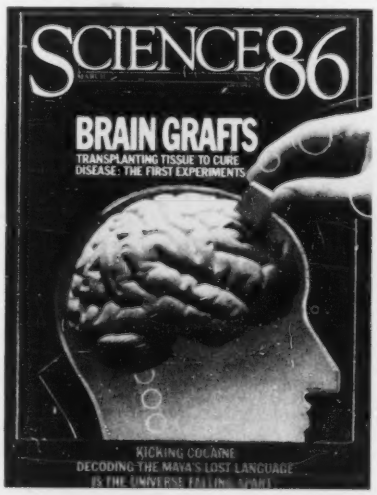
Meanwhile, reports of in-house tension at the scholarly *Scientific American* have been quelled since management of Scientific American, Inc., accepted an offer to be purchased by Holtzbrinck.

The privately held company that publishes the monthly science magazine had been looking for a buyer since early 1986. Several media sources reported that in-fighting among stockholders prompted the search. Published accounts have reported that Dr. Arthur Sackler, a research psychiatrist who controls about 33 percent of the shares, was calling for management changes.

Jonathan Piel, Scientific American's president, denies reports of tension among the stockholders. Whether management structure or strategy will now change has not been decided, says Piel.

What is certain is that *Scientific American* has been suffering ad sales and circulation declines. Ad pages are down 30.8 percent for the first five months of 1986, compared to the same period last year. Circulation as of June 1986 was reportedly 600,000, down from 654,000 the previous June.

Some critics of the magazine claim



Discover *gets a boost with the added circulation from the now defunct* Science 86. *Meanwhile, new owner Holtzbrinck will try to turn around* Scientific American's *ailing advertising fortunes.*

that the publication's editorial standards are putting a financial strain on the company. *Scientific American* publishes reports written by scientists, many of them Nobel Prize winners. The emphasis on such scholarly scientific information places the magazine at a disadvantage in competing with popular science magazines, in the view of these critics.

"The fact that we have a 66 percent renewal rate on subscriptions says a lot for our editorial vitality, and we never offer discount subscription rates," counters Piel. He also maintains that Madison Avenue has placed *Scientific American* in the wrong category. "We are not a science title, like the others. We are really a business magazine, like *Forbes* and *Fortune*."

The sale interested several major publishers. The bidders reportedly included Time Inc., The Economist Newspapers Ltd., International Thomson Organisation Ltd., Reed International Ltd., Elsevier and British Printing and Communications Corp. (BPC).

The deal was temporarily left in doubt when BPC made a counteroffer that topped Holtzbrinck's initial $50 million bid. BPC offered as much as $61 million in their pursuit of *Scientific American*. The board of directors finally decided on Holtzbrinck's final offer of $52.6 million.

Robert Maxwell, chairman of BPC's parent company, Pergamon Press, contends that his bid was rejected because he planned to change the current management, while Holtzbrinck agreed not to. Piel denied Maxwell's assertion, saying they accepted the bid from the company that offered the best fit with Scientific American. *(See "Briefings," page 9, for the latest developments in the science field.)*□

The ad sales scenario for science magazines

	First 5 mos. 1986		First 5 mos. 1985		% Increase/ decrease	
	Pages	Revenue	Pages	Revenue	Pages	Revenue
Scientific American	165.16	$4,118	238.68	$5,681	−30.8%	−27.5%
**Science 86*	89.39	1,657	136.56	2,438	−34.5	−32.0
Discover	156.77	2,518	165.01	2,492	−5.0	+1.0
Science Digest	69.94	981	135.85	1,994	−48.5	−50.8
Omni	281.53	6,791	274.46	5,842	+2.5	+16.2

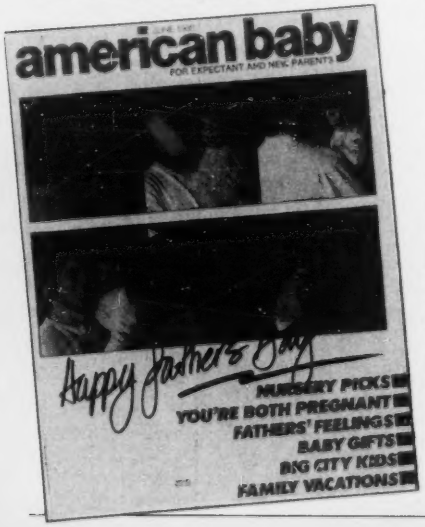
Source: Publishers Information Bureau
**Science 86* was published 10 times per year. All other listed magazines are monthlies.

***Ad pages are down** for nearly all of the major science magazines, with the exception of* Omni. *The now defunct* Science 86 *dropped 34.5 percent in ad pages, and lost about the same percentage in ad sales revenue. The shake-out among computer companies is a big part of the advertising problem.*

Cahners enters consumer arena

Makes awaited entree by buying American Baby, Inc.

Newton, Mass.—Cahners Publishing Company, well known for its many business publications, is entering the consumer magazine field with its intended purchase of American Baby, Inc., New York City. Terms of the deal were not disclosed.



Cahners publishes 36 business magazines and directories in addition to running a trade show division. The company has been eager to enter the consumer magazine field, according to Walter Cahners, vice president, corporate development. "We've just been looking for the right fit," he says. "American Baby is a logical extension for us."

Like Cahners, American Baby serves its market not only with magazines, but other media as well. American Baby produces two cable television shows for new parents, and also owns a sampling company that dispenses product samples to new mothers in hospitals. Other activities encompass controlled mailings of special publications and distributing coupons to new parents. Special publications include *American Baby, the first year of life*, a magazine for parents of newborns.

***The time was right** for* American Baby *to find a new owner.*

Like Cahners, too, American Baby's publications are based primarily on qualified, nonpaid circulation, notes the Cahners executive. The flagship, *American Baby*, has a one million circulation. About 835,000 of that circulation is nonpaid.

Cahners approached American Baby this summer with an offer. "We decided the time was right to sell," says Mark Levine, one of the former co-owners. Partner Alan Goldberg had decided to retire after being in the business 27 years, reports Levine.

Levine will continue as president of American Baby, Inc.; and there are no plans to change other management.

American Baby had a net revenue of $21 million last year, according to Levine. Cahners is a division of the British firm Reed International Ltd.□

Former HBJ exec buys franchising magazine

Franchise is the latest venture for former Harcourt Brace Jovanovich vice president Don Gussow, now 78. He has formed PG Communications, Inc., New York City, to publish the one-year-old magazine which is directed at